



Catalyzing the Climate Tech Ecosystem

Episode Transcript

October 2021

EPISODE 2:

Catalazin the Climate Tech Ecosystem

Manuella Cunha Brito, founder of Climatescape, interview by Andrés Neira and María Angélica Latorre.

(intro)

Andrés: Hello, everyone, welcome to the impACTivist Podcast. Today, we have invited Manuella Cunha from Brazil. She's the co-founder of Climatescape, a market intelligence platform that maps and tracks climate solutions. This platform provides a directory of organizations investing and working in climate change. As resources are limited, having access to this information is critical to connecting potential investors with entrepreneurs dealing with some of the problems of the climate change agenda. Thank you, Manuella, for joining us and welcome to the impACTivist Podcast.

(interview)

María: Manuella's mission is reversing climate change and reducing inequalities. Manuella is the co-founder of Climatescape, a market intelligence platform for climate. This platform maps and tracks thousands of innovations helping to reduce or remove GHG emissions. Through this platform, Manuella aims to tackle the world's greatest problems and ensure we stay below 2 degrees Celsius of temperature rise. Previously, Manuella co-founded Good Tech Lab and co-authored The Frontiers of Impact Tech. We will learn a lot about Manuella as she has an extensive background on the intersection of tech and climate, advising startups, large companies, and nonprofits. She has been a jury member of startup competitions and a speaker on several global conferences. Manuella, before you walk us through all of this, can you share with us your story?

Manuella: Hi, María. First of all, thank you so much for inviting me to your podcast. I'm very happy, you know, to share a bit of my story. So, you asked for a bit of a longer version, right? Where I was born, what I've been doing for the past many years. So, I'll start saying that I'm Brazilian. I

lived there for about 20, 22 years, spent some time in France back in 2008 to learn French, and then six months in Chile where I also loved, you know, living for six months as well to learn Spanish, and the reasoning behind this idea of learning a ton of different languages was that, in the beginning of my career, when I was still studying international relations at the University of Brasilia, my initial goal was to become a diplomat and to work within the public sector in Brazil to drive already the change but, let's say, from within the public policy system. I had some experiences in the Ministry of Foreign Affairs in Brazil as an intern. I worked for a year in the Human Rights Division of the ministry. It was wonderful, I learned a lot, but, somehow, it helped me realize that probably staying within the public sector and, more specifically, the diplomatic corps of a country like Brazil would not necessarily meet my needs in terms of the impact and the speed that I wanted to create or the speed that I wanted to act, let's say, to create an impact in society. So, I ended up — well, I took a couple more internship opportunities when I was back in Brazil, including a small experience within the United Nations agency for refugees, the UNHCR. Again, great experience, somehow was considering, you know, joining those international organizations which are broad in scope and that have also like an impactful mission and always with this idea of working together with many countries and cultures to drive change. But, again, I realized that those institutions, also because of the fact that they can be so powerful and international ecosystem, they also have a bunch of challenges, including the speed that they can act and the limitations of a long pathway and hierarchy that you actually need to go kind of little by little to be able to really do meaningful changes from within. And so I ended up understanding that I needed to go towards a bit more of an innovative environment and it was to me a big reorganization to see how much innovation, more specifically technology, could actually be a big drive for change but mostly for impact. So, from, let's say, my early days, I was always passionate about the already changing deep inequality that you can see in every street in Brazil. It's kind of an evident problem in the country so I was always with the intention of working on that problem. But, later on, I realized that, attached to that and kind of an intrinsic problem that we are going to live as a planet today, as a society generally, is climate change. Actually, back in 2014, I came to France for a master's degree in international development and, a year later, so in the middle of my master's, was the time that the United Nations were converging the countries and representatives from all across the globe to decide, first of all, the 17 key priorities for the next decade, right? The 2030 agenda, the Sustainable Development Goals, but also to convene for the Paris Agreement for the COP21 which ended up leading up to the Paris Agreement. And, at that point in time, I started realizing that climate was not only, you know, a matter, as I used to think of before, which is pretty much connected to

saving biodiversity or thinking only about making the forest standing up but it was also a very deep social matter because you can think of climate justice, because you can think of, you know, the impact that it will have in societies that are already in a more vulnerable situation and things like that. And so this problem, in particular, it started to attract my attention. And, that year, I started working in the organization called Ouishare initially for a project called POC21, which was kind of a joke, like playing with the name of the COP21, right? The Conference of Parties. And it started for proof of concept and it was an opportunity to actually have a five-week long hackathon, sort of, where hundreds of makers and innovators got together, like designers, engineers, and others, got together to design and prototype solutions related to climate problem. And those ranged from sustainable energy generation, like solar panels to like a shower that reused the water and try to maintain it warm, saving energy and water by doing so. So, I mean, there were 12 prototypes like this that were all using technology to address issues related to sustainability. And, again, to me, it was one of those realizations, right? That we can concretely and in a very tangible way create products and innovations that addresses big issues in a very fast paced way. And so I got very excited about that. But I didn't know by then how myself, like with my own background in international development, could actually be of help within this ecosystem. And more than that, I didn't really know what were the many opportunities already existing to use technology to tackle these big problems that I was always so passionate about. So, I ended up going back to Brazil, more work there also for another year after my master's, organizing an event called Colaboramerica which together about 10,000 people in Latin America to discuss about social innovation and impact. And, at some point, I decided, with my previous co-founder, who's also my partner, to create a company called Good Tech Lab which was built as a small market research firm focused on climate tech and impact tech. And our goal for the first two years was really to identify how technology and innovation could be of help addressing the Sustainable Development Goals. For those two initial years, we spoke with 450 people across 30 different countries to learn from them. We interviewed them to understand how they were using technology as well as how they see the opportunities for innovation in relation to the SDGs. And then we ended up writing this report with the help of foundations and corporate partners and even the French agency for the environment and energy, ADEME, and they gave us the support to, you know, really dedicate a lot of time to do a very in-depth research. We published it and left it free for download for a bunch of people and we're very happy with the results of that. And as a consequence, we ended up doing some consulting activities for large groups, for foundations and others, on the matter of technology and impact, and more recently, for the past year or so, my previous co-founder and I decided that it was time for each of us to kind of take the

next step in our careers which was initially our idea already when we started Good Tech Lab before which was to identify and map out where all the opportunities were to then be sure where we could have a bigger leverage and create the most impact. And in my case, I noticed that there is a great opportunity now in this new sector called climate tech and because I already have the experience with mapping and doing this sort of identification of ecosystems which are emerging using technology to create impact, I could help organize the information and facilitate the learning process for other people in this space. And so, together with my now co-founder, Brendan, we decided to create Climatescape and, for the past year, we've been working full time on that, really creating this market intelligence platform that maps and tracks the climate tech ecosystem, identifying thousands of climate solutions in many different sectors, from energy, food, agriculture, buildings, and so on. And the goal there is to not only make a directory of companies and potential sources of capitals, like venture capital and more, but also to provide learning content. And we are targeting initially early-stage investors whom we know, you know, are the big — some of the big supporters for this early stage innovation we believe is so key for addressing the climate change problem.

María: Just before we get into the details of Climatescape, I wanna go back a little bit. When you were working on human rights and you mentioned refugees and, you know, in these big institutions, you mentioned you wanted to go quicker, right? You wanted that impact to be quicker. Where do you think that drive came from? That driving you? You did mention that you — looking at the kids in the street and poverty and inequality was something that triggered you in Brazil, but why do you think you wanted to go quickly? Why do you think you wanted to create that impact quick?

Manuella: So there are probably two answers for that. The first one is that we are living in, you know, it's a big emergency, especially when we're talking about climate. We only have like this decade to help our emission if we want to stay below the 2 degrees Celsius of temperature rise, which we already know is in itself pretty impactful and we've already been living through some of the challenges that this rise in temperature creates for us and this will only be accentuated over the next few years and even more so if we are not capable of really making the change and decarbonizing our activities and industries today. If we don't do that, it's not that the full planet will die the next day. That's not how it's gonna happen. But we are going to increase suffering for many people across the globe, and even more so for the ones that are already vulnerable. So, you know, we have no time to wait and we need to act right now, all hands on deck and do all that

we can to drive this change from our own personal behavior as well as in the public sector, right? There are many policies that actually need to be implemented to drive this change. So, let's say that all areas and all activities, all industries, all, like everyone can have a specific role to play in driving this change. The only thing is that I realized that both my personality and my capabilities would probably be best used in the scenario of like rapid growth and when I realized that innovation and the startup world could actually be of impact in that sense, that's kind of what sparked my interest, is when I realized — and something that helped me as well is reading the book of Muhammad Yunus, like, I don't know, 10 years ago, more or less, where he talked about the social businesses and so on. Even though that's not exactly what I'm building today, I think it was also a very interesting aha moment for me to understand that the private sector could actually be a big driver of this change. And just because of the fact that, you know, you are less constrained by the limits of larger institutions and of, you know, external players, that would also just allow me to move faster. So, let's say, for your question, the first answer is I just know that there is a big emergency, both in terms of climate but also if we're talking about the Sustainable Development Goals more broadly, you know, they are planned to be achieved by 2030 and, actually, it should have been already achieved today, right? Like having no hunger, for instance, you know, shouldn't be just a goal for the next few years, it should be something happening already today. So, all those things are just super critical and we should be acting on that as fast as we can. And, secondly, it was just a matter of where I identified that myself could have a bigger impact, not to say that people working in other sectors don't, it's just to say that, in my own case, I found my place, let's say, within this ecosystem.

María: Super.

(break music)

María: You mentioned the report you did, the research you did and was open to everybody and that brought a lot of value. You were able to do consulting work after that. I would like you to tell us a little bit about the book you wrote, *The Frontiers of Impact Tech*. What inspired you to write that book?

Manuella: That's a great question. So, to me, I mean, there are two things there. When we initially launched Good Tech Lab, the idea for us was really to go through this learning process and help, you know, our partners and, more broadly, the society and people excited about similar areas as we were like innovation and impact to understand where the opportunities and challenges were. So, that came from this whole story that I told you before, kind of those elements just connected well together. So, the writing process was something that we agreed upon with all our partners from the beginning. What was a surprise for us, though, is how open people were to really providing us with the information that we needed, how open they were to connect and provide interviews and open up their own networks for us, you know, to meet with more people and more innovators passionate about that space as well. And the second thing is that, you know, this report, which was, yeah, initially, was in itself an ambitious project but we really didn't anticipate it to conducting an eBook, you know, 250 pages more or less eBook and that we would find so many references and articles to quote from, so many leaders and inspiring entrepreneurs and investors, you know, who would be willing to share their ideas and thoughts with us. So the eBook itself was kind of the outcome of this two-year learning process that we've been through and we just realized it would be helpful for more people to have a framework to refer to and to better understand how innovation could actually be impactful and to prioritize, let's say, their actions as well and to be alert of, you know, not thinking only about technical solutionism here and thinking that, you know, any piece of code or technical solution would solve our needs because that's not how things are actually going to work and being aware of the challenges as well, both in terms of the production of the technology itself, like the value chain, you know, the sustainability issues, the privacy issues, you know, the diversity that's needed in the tech ecosystem to make sure that the solutions are reflective, you know, of a broader group of people and of the needs of society at large and not just, you know, a small handful of representatives of society which are living in Silicon Valley, for instance. That was a big concern for us and something that we wanted to spread as a message. So, all of those elements, let's say, led us to write this piece and we were happy that people from different industries ended up sharing with us later that it was helpful for them to better understand some of the opportunities that technology was bringing and integrate this more, let's say, innovative thinking in their daily work.

María: Okay. So you mentioned you now advise startups and large companies and nonprofits. What commonalities do you find advising those companies and what differences also do you find when you advise this three different types of systems?

Manuella: That's a very good question. I think probably similarities is that everyone — what's the word I'm looking for here? Intentional, I think that's the word I'm looking for. Everyone was really intentional about creating impact independent of their space of work and, again, be it the public sector, the private sector, small companies like startups, or the nonprofit world, when you're thinking about creating impact, that's in itself a big challenge and it's hard sometimes to evaluate and to manage or measure how your actions would actually reflect in society or the planet at large. So, that's one like common challenge. Definitely the differences are that the means a startup and a large group would have are not the same. The accountability that nonprofits or the public sector might have are also different from those, you know, of a smaller company. Because of all those things, the demands can vary quite a bit. While a nonprofit might be willing more to understand first how to support entrepreneurs, entrepreneurs themselves are looking at, "Okay, so with this very limited amount of resources, how can I actually, you know, build a sustainable business, address, make sure that my product is solving for a real world challenge and, at the same time, I'm creating impact in society?" And large groups will, I think that's an area that the challenges may vary a lot from industry to industry as well. But what is exciting, and I've been seeing more and more for the past year, is how much the large groups are more committed today than ever in creating impact by what they're doing. And, obviously, the intention for innovation is something that they need to have always to make sure that the business remains sustainable and future proof. But now, this realization that impact is just as important, I think it's something pretty exciting to see.

María: So you're also a jury member in startup competitions. What advice would you give to entrepreneurs that are preparing to pitch in those competitions?

Manuella: Great question. Tell your story, you know? Be true to yourself. Create a narrative that allows you to show why you are the right person to tackle this problem. Be concise, right? Like usually during a pitch, you need to explain a lot of things about your business in a very short period of time. Show your passion. Practice a lot. Repeat before, you know, don't go onstage just thinking that you'll go there and speak and people will understand you. You know a lot about your business but when you're pitching, your listeners sometimes are just hearing that for the first time. So, you need to make sure that you're super clear. You can try to practice,

you know, with people that don't know nothing about your business, that's usually helpful. Yeah, I think those would be some of my main tips and advices.

María: Do you see any mistakes that they frequently do?

Manuella: Yeah, some. I mean, one of them, I think, is thinking that people know a lot about your business already and so not being clear enough with what exactly is the technology that you are developing, why is that important, who is the customer that is actually going to buy whatever you're building, and then sometimes it's the opposite, like you think that you're building something which is entirely new and innovative and you forget that the listeners, especially if they are professional investors, depending on who the jury member is, but sometimes some of them have already seen many other pitches in competition so you really need to stand out. And the best way to do that is, as I said before, is be sure that you're building something which is truly unique and that will have, you know, a major impact in society. And think big as well, like try to build for a problem that it's big enough that the demand for it will be relevant and so your impact will be even bigger, if you manage to achieve all your goals.

(break)

Andrés: Manuella, I had opportunity to listen to a talk that you gave in the year 2019 in IMPACT TECH, and you were talking about how to attract capital to those kinds of entrepreneurships, and you were talking about a concept, quite interesting, you were making a difference between zebras versus unicorns, and I understand that one of the main challenges is to attract the capital to those sustainable entrepreneurships. Can you explain us a little bit about this concept of zebras versus unicorns?

Manuella: Absolutely. So, the idea of a unicorn, which is like this mythological animal, in the startup world, it's actually a reference for a company that has a billion-dollar valuation and here it's important to know that when we're talking about valuation, that doesn't necessarily mean that the company has that amount in revenue. Sometimes the company might not even be actually super profitable and yet have a very big valuation, which can be a bit intriguing to understand how those things happen, but it

all depends on how a company is valued by the market and so that, at some point, it can go to the stock market and their shares will be, you know, allowed to go public or the company will just be acquired by someone else and that will bring a lot of capital back to the stockholders of this initiative. And that's pretty much how the traditional venture capital market works. The issue there is that not every company, not every startup can go through the same path of growing super fast and becoming, you know, this mythological unicorn by, you know, just increasing in their valuation along the time. And another round, let's say, for those companies, and that's what is being referred to sometimes as zebras but there are other groups talking about them differently as well but the main goal there is that companies that will be looking not only to creating revenue, like bringing back capital to their shareholders, but also creating positive social impact in society and also that it might just have a different growth path, right? That they can, for instance, start creating revenue from the beginning but that they might not just grow to be that large a company as Facebook or Google or Uber or whatever of the typical startup world ends up being. So, it's just really like a different way to see growth, a different way to see how do you create value for society and how do you create value for your shareholders and society at large.

Andrés: Yes, Manuella, and I think that this is something that we need to work on and to find a way to explain to the potential investors because I work in the world of investments, because I'm in Family Office, and one of the big challenges is to explain to people that the way of creating value when you have financial resources and the capital is not just investing in a perspective of venture capital but it's also to make a bet to these potential entrepreneurs that, in the future, they are going to bring another kind of value, because always they're expecting returns and when I discuss about this point with financial advisors, with asset managers, and private banks, I always ask for potential funds that maybe they have for impact investment, and it's so curious that, actually, it is not so developed that kind of market, you know? So I think that is a big challenge. Now, I want to go to the platform of Climatescape. Why is Climatescape so important and what is the business model?

Manuella: Sure. And thank you for sharing your thoughts as well on the topic before, I think that's definitely super relevant and made me think one extra element that I forgot to say in terms of the difference that you'd see between a unicorn and a zebra also in relation to the fact that a unicorn is kind of a sole animal that lives, you know, typically alone, whereas a zebra, you know, comes in groups and the reasoning there is that, typically, in

venture markets, you find this logic of the winner take all company. And the idea for the zebra is that, actually, you can think of an ecosystem which is a lot more collaborative and where you have, you know, companies that can support each other and still create value for society at large. So, you know, I totally agree with you when you say that impact investing is still an undervalued and underdeveloped asset class. We've been seeing it growing for the past few years and I really, really hope that, you know, that trend will continue to happen over the next few years. For larger asset managers, a case we're starting to see, DSG is being featured as one of the key criteria for investment but that's still, you know, very small and it's not the same, just screening out the negative impact versus really being intentional about identifying the biggest and more impactful opportunities to invest into that one. To connect with their next question, then, Climatescape is developed exactly to tackle that issue of enabling more investors to be intentional about where they place their money, more specifically, the venture capitalists and angel investors and we're today targeting those like earlier investors who are discovering now the potential of climate tech. Some of them are already pretty expert on the topic but even still, they want to see new companies that are emerging in the space. And what we're doing is building a platform for them to identify where those opportunities are to bring visibility to investors to startups from all across the globe, not only, you know, from the US or Silicon Valley but also Europe, Latin America, Asia, Africa, and so on. And we really want to help professionals within the climate tech industry and beyond understand where are the key challenges when we're talking about climate, so electricity, for instance, or energy generation and storage, food and agriculture, transportation, buildings. Many of those sectors are contributing a lot to current greenhouse gas emissions and will need a lot of innovation. According to the IAEA, the international agency for energy, will still need — more than half of the solutions we need to tackle climate change or reduce GHG emissions are not yet mature. So we will need a lot of innovation and what we're trying to help with our platform is to explain where those opportunities are, which are these potential innovations, what are the challenges and solutions that are already happening out there. And the business model that we're building, it's based on a subscription for getting access to this data and information content. Today, we have the climatescape.org directory which is open for anyone who wants to take a look. There are already a couple thousand companies there listed, as well as sources of capital. And what we want to do now is to provide even more information and value for our customers and users through this new subscription model that we hope to launch next month.

Andrés: Okay. When I visited the page, I'm going to confess to you something, I didn't know this platform, but when I was researching information about you and to try to understand the platform and I enter the page, I said, "Wow. This is what I was looking for too many months to understand where we can allocate resources." And I'm sure that if I distribute or if I share this platform to the environment of the Family Office, we are going to understand that this is going to be quite valuable, because, naturally, we tend to ask for information for the advisors but they are not connected really with what is really happening in sustainable investment. I think that they try to do their best but it's not enough. But I think that this platform is quite powerful. So I think that you have both sides: the potential entrepreneur that wants to be part of this platform and the potential investor that can use the platform. So, I understood what, as a potential investor, I can do, that is to be subscribed in the platform. But if there is a potential entrepreneur that is tackling a specific issue now and that can prove the impact, what can this potential entrepreneur do to be part of this platform, Manuella? How can they be involved in the platform?

Manuella: That's an excellent question, Andrés, and thank you so much for the positive feedback about what we're building and I'd love to, you know, continue the conversation later after the podcast to see if there are ways we can be of help to your work. For entrepreneurs, my invitation is to just click on the Add button in the page. We allow for, you know, self-recommendation or application, right? To be part of the platform and we do pass you through a review process that our team, you know, takes a look at the information that is provided, analyze in which sector the company fits into. And today, it's, as I said, basically, what we are requesting from the companies is just like basic information to be featured in the directory. But, hopefully, the direction that we wanna go towards is to really bring even more value to startups themselves and reflect some of their needs, be it in terms of connecting with larger customers and industries, connecting directly with investors, helping them grow and increase their team, all the things that, you know, a startup needs to thrive when they're developing impactful solutions. We wanna really build the go-to platform for the low carbon economy and a catalyzer for the climate tech ecosystem. So, today, the easy way to connect with us is either to send directly an email to team@climatescape.org or, if you want to get your startup appearing in the page, just submit the form with your information and we'll take care of analyzing it and including you in our data.

Andrés: Okay, thank you, Manuella.

María: And to finish, Manuella, what's next for you?

Manuella: Wow, that's a great question. I mean, I think there are many things that I'd still love to do, making sure that the platform is successful after its launch, making sure that we continue to build value and create value for startups, investors, and, more broadly speaking, the ecosystem, possibly connecting with, you know, more customers and larger groups that would be able to help the startups take their solution to an even larger scale. Yeah, basically, today, I'm pretty focused on making sure that Climatescape really creates an impact in catalyzing the climate tech ecosystem and be successful in its mission, give more visibility to diverse founders. There are plenty of things I'd say on the plate today, and if anyone wants to get involved or reach out, I welcome you to do so. I'm always happy to connect with passionate people who are also driven by the mission of tackling climate change and reducing inequalities.

Andrés: I want to make a last reflection. At the beginning of conversation, you were talking about that we have just one decade to try to reverse the effects. And today, we are observing and witnessing all the consequences and the strong changes that we have with the climate change. I don't know if this is maybe so late or maybe we can do something, but also, when I was listening to you and about the platform, how important is it to educate the investors? Because I feel that there is not much awareness about the responsibility that they have and the huge impact that they can do if they dedicate part of their assets in this kind of entrepreneur. So, Manuella, how can you educate potential investors?

Manuella: I couldn't agree more. Education is a key piece and that's pretty much one of the reasons why we decided to move forward with Climatescape in the first place is that we think by providing more information and, you know, helping more people understand how big the climate crisis problem actually is and how many opportunities are already out there and how they could, you know, connect the dots and really place the bet in the biggest opportunities and not, you know, support harmful innovations or harmful solutions in harmful companies, that would be the ideal goal for us, right? Is to help more people understand and make them capable of tackling the problem from the beginning. There are many resources that can be used. Obviously, I'll advocate here for also going to take a look at climatescape.org and reading the report that we published

with Good Tech Lab even though it was published in 2019, the framework is still pretty valid today, but if you want to see other communities or opportunities, there are just like so many out there, we list a few in our page as well and I just strongly recommend that you go search for more information, read books and reports about the problem, go to the basic scientific resources, you know, the IPCC Report, take inspiration from Project Drawdown solutions, which are great and very explanatory. There are many resources today that are available and it's really a matter of taking the first step and opening your minds and hearts for the opportunity of dealing with this problem, which I know can be a bit overwhelming because climate is such a big issue and it can be hard for some people to realize how big of a challenge that it's gonna be, but if we start acting right now, we still have a chance to reduce, you know, the emissions by 2030 and, you know, get to net zero by 2050 and reduce the suffering and, you know, the negative consequences and extreme events that we would otherwise need to face in the next few years.

María: Manuella, thank you so much for this insightful conversation and thank you for helping tackle our world's greatest problems.

Andrés: Thank you, Manuella.

Manuella: Thank you so much for both of you for having me. It was a pleasure.

(outro)

Andrés: Dear listener, as Manuella stated, we are living in crisis. If we do not take action on climate change, we will increase suffering on people, especially the more vulnerable. Climatescape offers a valuable map for identifying where the opportunities are. I invite you to visit the site, www.climatescape.org. Thank you for your precious time. You can connect with María and I through our webpage: www.impactivist.global. We invite you to subscribe to our newsletter and to share with us your ideas. Together, we make the change. This is Andrés Neira, until the next episode.